

Sustainability Initiatives: Progress

Throughout fiscal 2019, we worked on our Sustainability Goals to be achieved by fiscal 2020.

We have made steady progress in solving individual issues by leveraging our company-wide management structure and through Sustainability Promotion Committee and Executive Council discussions and engagement activities in response to stakeholder evaluations.

The Board of Directors receives reports from operating divisions, oversight and supervising initiatives related to sustainability issues.

Solving Social Issues Through our Businesses (Three Domains)

OMRON has identified social issues to be solved in 3 business domains it focuses on. The Company has set targets for addressing the issues.

Factory Automation P33 →	
Social Issues to be Solved	<ul style="list-style-type: none"> ● Shrinking labor force, as an issue in global manufacturing ● Shortage of skilled workforce on production floors and requirements of increasingly advanced & diversifying manufacturing processes
Fiscal 2020 Goals	Generate applications to embody the concept of innovative-Automation in our four focused industries, establish control technologies, and develop new products—Generate Control Technologies for Manufacturing Innovation—
Fiscal 2019 Progress	<ul style="list-style-type: none"> ● More than 170 applications embodying innovative-Automation ● Responded flexibly to changes in product models and setups, and generate new value through improved operating capacity, “Flexible Production Line” that contributes to manufacturing innovation, and “Cell-Line Control System,” that fosters harmony between humans and machines

Healthcare P49 →	
Social Issues to be Solved	<ul style="list-style-type: none"> ● Increased incidence of brain diseases and cardiovascular diseases attributable to high blood pressure ● Increased worldwide prevalence of asthma and other respiratory diseases
Fiscal 2020 Goals	<ol style="list-style-type: none"> 1 Blood pressure monitor sales: 25 million units/year 2 Development of analytical technologies to continuously track blood pressure fluctuations 3 Nebulizer and wheeze detector sales: 7.65 million units/year
Fiscal 2019 Progress	<ol style="list-style-type: none"> 1 Blood pressure monitor sales: 20.01 million units/year 2 Completed clinical evaluation of wearable blood pressure monitor (relationship between hidden hypertension and underlying causes related to lifestyle activities; evaluation of accuracy during daily measurements) 3 Nebulizer and wheeze detector sales: 3.44 million units/year

Social Solutions P45 →	
Social Issues to be Solved	<ul style="list-style-type: none"> ● Increase in traffic accidents and traffic jam ● Global warming from CO₂ emissions ● Slow expansion of the renewable energy market
Fiscal 2020 Goals	Transport ● Creation of safe driving support systems and technologies Energy ● Cumulative shipped capacity of solar power/storage battery systems: 11.2GW ● Build an energy resource aggregation business using solar power/storage battery systems (Japan)
Fiscal 2019 Progress	Transport ● Introduced tailgating detection function Energy ● Solar power system: Cumulative shipping capacity 9.6GW ● Storage battery system: Cumulative shipping capacity 438MWh

Solving Issues Responding to Stakeholder Expectations

OMRON has set a total of 11 sustainability targets for issues to be addressed for strengthening its business base and responding to stakeholder expectations. Here, we will provide five examples of these targets.

Please visit our website for all targets. (URL: https://sustainability.omron.com/en/omron_csr/tasks_goals/)

Human Resources Management

Talent Attraction and Development

P60 →

Fiscal 2020 Goals	<ol style="list-style-type: none"> 1 Continue evolution of TOGA*¹ towards meeting OMRON Principles 2 Ratio of non-Japanese in managerial positions overseas: 66% 3 Accelerate the PDCA implementation through employee engagement surveys VOICE*²
Fiscal 2019 Progress	<ol style="list-style-type: none"> 1 TOGA has taken root as a process to share and recognize voluntary employee initiatives in practicing the OMRON Principles 2 Ratio of non-Japanese in managerial positions overseas: 70% (+8 points vs. prior year)* 3 Implemented improvement measures in response to organizational issues identified in our engagement survey VOICE

Respect for Human Rights and Labor Practices

P64 →

Fiscal 2020 Goals	<ol style="list-style-type: none"> 1 Define and adopt due diligence process 2 Implement analyses and corrective actions regarding human rights risks at all production sites
Fiscal 2019 Progress	<ol style="list-style-type: none"> 1 Initiatives to respect the human rights of not only own employees, but also those from service providers (employee dispatch companies and contractors) (OMRON Group in Japan) <ul style="list-style-type: none"> • Established and began operations of a system to protect the human rights of all persons working at our business locations • Completed management design and trial operations of a human rights risk management system for employee dispatch companies and contractors 2 Expanded the number of production facilities conducting human rights risks analysis/corrective actions: Total 19 locations

Manufacturing, Environment

Supply Chain Management

Fiscal 2020 Goals	<ol style="list-style-type: none"> 1 Sustainability self- assessment for important suppliers (Partner Suppliers): 100% implementation ratio 2 Sustainability self- assessment: Achieve RBA score of 85 or more
Fiscal 2019 Progress	<ol style="list-style-type: none"> 1 Completed sustainability self checks for all critical suppliers 2 Of the 12 companies scoring less than 85 points, we received plans from 11, agreeing on the details of the initiatives proposed

Environment

P67 →

Fiscal 2020 Goals	<ol style="list-style-type: none"> 1 Reduce total GHG emissions by 4% (vs. fiscal 2016) 2 Environmental contribution to exceed CO₂ emissions from production centers
Fiscal 2019 Progress	<ol style="list-style-type: none"> 1 Reduced total GHG emissions by 34% (vs. fiscal 2016) 2 Environmental contribution of 971kt-CO₂ > Production location CO₂ emissions: 135kt-CO₂

Risk Management

Privacy and Data Security

Fiscal 2020 Goals	<ul style="list-style-type: none"> ● Build a new information security system
Fiscal 2019 Progress	<ul style="list-style-type: none"> ● Improved security level of IT networks at global major sites

*1 TOGA: The OMRON Global Awards

*2 VOICE: VG OMRON Interactive Communication with Employee